PIZZAEXPRESS GROUP

HALF YEAR RESULTS for 26 weeks ended 2 July 2017

UK & Ireland returned to growth despite challenging market; continued strong performance of International business

30 August 2017

Highlights

- Group turnover continued to increase, growing 9.1%[*] to £260.7 million (2016: £239.0 million) underpinned by Group LFL growth of 3.4%

- UK & Ireland like-for-like sales improved, up 1.3%

- Continued strong performance in international markets, like-for-like sales grew 17.7%

- As anticipated, UK sector-wide cost pressures led to Group EBITDA decreasing by 13.9% to £40.6 million (2016: £47.2 million)

- Expansion of estate, with eight new openings in both UK & Ireland and International

Jinlong Wang, Chief Executive Officer of PizzaExpress, commented:

"PizzaExpress has performed in line with expectations in the first half of 2017, with Group turnover continuing on its strong growth trajectory. We are pleased that like-for-like sales in the UK & Ireland have returned to growth, though sector-wide cost pressures in the UK market, including from business rates, pay rates and food inflation, have meant Group EBITDA decreased as expected. Our international business continued to deliver strong growth across all territories.

"We continued to expand our estate in the UK & Ireland with the opening of eight new sites, including the first Firezza dine-in restaurant on Dean Street, London. With the casual dining sector in the UK facing cost headwinds, we have also been identifying ways to develop and diversify our business. In June, we launched PizzaExpress Live, which gives consumers the PizzaExpress dining experience in our restaurants, combined with live music and other entertainment. We have also continued to develop our retail range, including launching our lighter Leggera range in Waitrose. In addition, we have benefited from our investment in new technology; we rolled out a new point of sale system to help teams and customers, and developed an award-winning Facebook chatbot that allows customers to make bookings over Facebook messenger. Beyond this, we see further opportunities to leverage technology to drive sales and enhance productivity.

"We maintained our focus on growing the international business which we believe represents a huge opportunity for us. We opened eight new sites in the first half, and have a strong opening pipeline in place for the year ahead. Our experience internationally has taught us that getting our menus right is essential to success in these markets. We have been working on adapting our offering so that it is relevant and appealing to local tastes, which in many cases has meant expanding our range while ensuring that high quality, good value pizza is central to our menu.

"Also during the quarter we re-aligned management responsibilities, promoting from within the business to put in place a dedicated management team for the UK & Ireland. This allows the Group leadership team more time

[*] all growth stated at actual exchange rates

to support the growth in our International segment, recognising the increasing size and scale of the International segment to the Group.

"Looking ahead, we believe conditions in the UK market will remain challenging, with cost headwinds continuing. However, we do expect various initiatives we have undertaken to partially mitigate these pressures. The recent strong performance of our international business gives us increasing confidence in the opportunity for us in our chosen markets."

For further details, please contact:

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Notes to Editors

A Pizza History:
- PizzaExpress has been obsessed with pizza ever since its founder Peter Boizot opened the first PizzaExpress restaurant on Wardour Street in London's Soho in 1965
- The brand was one of the first to adopt open kitchens
- PizzaExpress now has over 600 restaurants globally and sells over 35 million pizzas in UK supermarkets every year
- To find out more visit www.pizzaexpress.com